

HB 2971 -1 STAFF MEASURE SUMMARY

House Committee On Commerce and Consumer Protection

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Meeting Dates: 3/27, 4/3

WHAT THE MEASURE DOES:

The measure changes the definition of capital as part of net worth for a qualified depository to conform with ORS 708A.290. Modifies the allowable investments for certain financial institutions including removing the 20 percent restriction on investments in bonds or other obligations from other states or public bodies in the United States.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 The amendment defines "net worth" for a qualified depository that is a bank that does not have a community bank leverage ratio framework as total capital as shown on the immediately preceding report of condition and income, or For a qualified depository that is a bank that has a community bank leverage ratio framework as tier 1 income as shown on the immediately preceding report of condition and income, or for a qualified depository that is a credit union, total net worth as shown on the immediately preceding report of condition and income.

BACKGROUND:

Stockholders' equity are the assets of an institution minus the liabilities of that institution.

Tier 1 capital is the most liquid assets of an institution.